Remarks

In the present response, no claims are amended. Claims 1-17 are presented for examination, and claims 18-21 are withdrawn.

I. Claim Rejections: 35 USC § 112

Claims 10-13 and 14-17 are rejected under 35 USC § 112, second paragraph, as failing to particularly point out and claim the subject matter. The Office Action argues that claims 10-13 are unclear for reciting "to allow bidders to place bids" and claims 14-17 are unclear for reciting "allowing a plurality of actual bidders to place bids." Applicant respectfully traverses these rejections.

Section 112, second paragraph, requires that the claims particularly point out and distinctly claim the subject matter which an applicant regards as his invention. To satisfy this threshold, claim recitations must allow one skilled in the art to understand the bounds of the claim when read in light of the specification. *See Exxon Research and Engineering cov United States*, 60 U.S.P.Q. 2d 1272, 1276 (Fed. Cir. 2001). Thus, it is only if "a claim is **insolubly ambiguous**, and no narrowing construction can be properly adopted" can a claim be held as indefinite. *See id.* (Emphasis added). The Federal Circuit has made clear that "[i]f the meaning of a claim is discernable even though the task may be formidable and the conclusions may be one over which reasonable persons will disagree," the claim will be viewed sufficiently clear to avoid indefiniteness. *See id.*

Clearly, the meaning of claims 10-13 and 14-17 is discernable. Claims 10-13 recite "to allow actual bidders to place bids in the auction on the auction site." This recitation is clear and means what it says: Bidders are allowed to place bids in the auction on the auction site. Applicant's specification provides support for this recitation. Further, claims 14-17 recite "allowing a plurality of actual bidder to place bids on the auction." This recitation is clear and means what it says: Plural actual bidders are allowed to place bids in the auction. Applicant's specification provides support for this recitation.

Applicant respectfully reminds the Examiner that the law merely requires claim terms to be discernable. Additionally, the court of Customs and Patent Appeals has expressly warned that "*breath is not to be equated with indefiniteness*, as we have said many times." *See In re Miller*, 169 U.S.P.Q. 597, 600 (C.C.P.A. 1971) (emphasis added).

Applicant respectfully submits that upon reading the specification one of ordinary skill in the art would not find difficulty in ascertaining the meaning of the phrase "to allow actual bidders to place bids in the auction on the auction site" or the phrase "allowing a plurality of actual bidder to place bids on the auction." The test for definiteness under 35 U.S.C. 112, second paragraph, is whether "those skilled in the art would understand what is claimed when the claim is read in light of the specification." *Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576, 1 USPQ2d 1081, 1088 (Fed. Cir. 1986); *see* MPEP § 2173.02

In view of the foregoing, Applicant respectfully requests withdrawal of the section 112, second paragraph, rejections.

II. Claim Rejections: 35 USC § 103(a)

Claims 1-6, 8, 10-11, 13-17 are rejected under 35 USC § 103(a) as being unpatentable over USPN 6,012,045 (Barzilai) in view of USPN 6,692,082 (Hambrecht). This rejection is traversed.

To establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art cited must teach or suggest all the claim limitations. *See* M.P.E.P. § 2143. For at least the following reasons, Applicant asserts that the rejection does not satisfy these criteria.

No Suggestion/Motivation to Modify/Combine References

For at least the following reasons, no suggestion or motivation exists to modify or combine Barzilai in view of Hambrecht.

First, the Examiner **admits** that Barzilai "does not specifically disclose the concept of an audit of an auction" (see OA at p. 4). Applicant agrees with this admission. To cure this deficiency, the Office Action cites several sections of Hambrecht. Applicant respectfully disagrees.

Hambrecht teaches an electronic auction for pricing and allocating equity securities with an underwriting process (1:16-20). "One embodiment of the invention provides a system and method for determining the final offering price and allocations of stock in a company" (1: 30-32). After an auction closes, Hambrecht teaches that an accounting firm can review the transactions for the offered stock.

Barzilai teaches an electronic auction for selling consumer goods. Barzilai repeatedly uses the example of selling a pair of Nike shoes. Barzilai woud not want to send a transaction of a shoe sale to an accounting firm as taught in Hambrecht. Obviousness cannot be established by combining the teachings of the prior art to produce the claimed invention absent some teaching or suggestion supporting the combination. *ACS Hospital Systems, Inc. v. Montefiore Hospital*, 732 F.2d 1572, 1577, 221 U.S.P.Q. 929, 933 (Fed. Cir. 1984). Such teaching or suggestion does not exist.

Further, Applicant respectfully asserts that the Examiner is using knowledge of Applicant's invention and then performing hindsight reconstruction to show the various claim elements. In other words, the Office Action is picking and choosing teachings from numerous isolated sections with no suggestion or motivation for such selective construction. On this subject, the case law is clear: One cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention. *In re Fine*, 837 F.2d 1071, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988).

For at least these reasons, a *prima facie* case of obvious has not been established.

All Elements Not Taught or Suggested

All of the elements of the claims are not taught or suggested in Barzilai in view of Hambrecht. In other words, evening assuming *arguendo* that Barzilai and Hambrecht are successfully combinable (which they are not), the alleged combination does not teach or suggest all the elements in the claims. Some examples for the independent claims are discussed below.

Independent Claim 1 (Example 1)

Independent claim 1 recites "an auction auditing module" that audits an auction. Nowhere does Barzilai in view of Hambrecht teach an auction auditing module.

Hambrecht teaches an electronic auction for pricing and allocating equity securities with an underwriting process (1:16-20). "One embodiment of the invention provides a system and method for determining the final offering price and allocations of stock in a company" (1: 30-32). After an auction closes, Hambrecht teaches that an accounting firm can review the transactions for the offered stock (see 3: 52-64). Nowhere does Hambrecht teach or even suggest an auction auditing **module**. An accounting firm is not an auditing module as this term is used in Applcant's specification and known to one of ordinary skill in the art.

For at least these reasons, claim 1 and its dependent claims are allowable over Barzilai in view of Hambrecht.

Independent Claim 1 (Example 2)

Independent claim 1 recites two different modules that are in communication with each other: "an auction module, in communication with the auction management module." First, the Examiner **admits** that Barzilai "does not specifically disclose the concept of an audit of an auction" (see OA at p. 4). Applicant agrees with this admission. Hambrecht fails to cure such deficiencies.

As noted, Hambrecht teaches auctions for underwriting transactions. After an auction closes, an accounting fir can review the transactions for the offered stock (see 3: 52-64). Nowhere does Hambrecht teach or even suggest that the accounting firm is somehow an electronic auditing module. In other words, the combination of Barzilai and Hambrecht fail to teach or even suggest two different modules that are in communication with each other: "an auction module, in communication with the auction management module."

For at least these reasons, claim 1 and its dependent claims are allowable over Barzilai in view of Hambrecht.

Independent Claim 1 (Example 3)

Independent claim 1 recites an auction auditing module that audits "an auction taking place on the auction site." The Examiner **admits** that Barzilai "does not specifically disclose the concept of an audit of an auction" (see OA at p. 4). So, the issue is: Does Hambrecht teach or suggest an auction auditing module that audits an auction "taking place" at an auction site? Hambrecht does not.

As noted, Hambrecht teaches auctions for underwriting transactions. **After** an auction closes, an accounting firm can review the transactions for the offered stock (see 3: 52-64). By contrast, claim 1 recites a module that audits an auction "taking place." In Hambrecht, the auditors review financial transactions after the auction closes, not while the auction is "taking place."

For at least these reasons, claim 1 and its dependent claims are allowable over Barzilai in view of Hambrecht.

Independent Claim 10 (Example 1)

Independent claim 10 recites "an auction auditing module" that audits an auction. As noted above in connection with claim 1, nowhere does Barzilai in view of Hambrecht teach an auction auditing module.

For at least these reasons, claim 10 and its dependent claims are allowable over Barzilai in view of Hambrecht.

Independent Claim 10 (Example 2)

Independent claim 10 recites two different modules that are in communication with each other: "an auction module, in communication with the auction management module." As noted above in connection with claim 1, nowhere does Barzilai in view of Hambrecht teach or suggest these recitations.

For at least these reasons, claim 10 and its dependent claims are allowable over Barzilai in view of Hambrecht.

Independent Claim 10 (Example 3)

Independent claim 10 recites an auction auditing module that audits "an auction taking place on the auction site." As noted above in connection with claim 1, nowhere does Barzilai in view of Hambrecht teach or suggest these recitations.

For at least these reasons, claim 10 and its dependent claims are allowable over Barzilai in view of Hambrecht.

Independent Claim 10 (Example 4)

Independent claim 10 recites an auction having both actual bidders inputs and simulated bidder data. In other words, the same electronically based auction receives bids from both actual bidders and simulated bidders. By contrast, Barzilai teaches that customers who do not register with the auction service are allowed to play an auction game and submit fictitious bids (see 2: 54-64). These fictitious bids are in a game that is separate from the actual bidders: "The computer based method electronically blocks customers from becoming bidders and posting bids until those customers have electronically preregistered" (2: 37-40).

For at least these reasons, claim 10 and its dependent claims are allowable over Barzilai in view of Hambrecht.

Independent Claim 4 (Example 1)

Independent claim 14 recites "generating a simulated bidder through an auction auditing module." Barzilai teaches that customers who do not register with the auction service are allowed to play an auction game and submit fictitious bids (see 2: 54-64). Barzilai, however, never teaches or even suggest that these fictitious bids are "through an auction auditing module." In fact, the Examiner **admits** that Barzilai "does not specifically disclose the concept of an audit of an auction" (see OA at p. 4). Hambrecht teaches that after an auction closes, an accounting firm can review the transactions for the offered stock (see 3: 52-64). Hambrecht, however, never teaches or even suggests that simulated bids are submitted "through" this accounting firm. Instead, Hambrecht teaches that information regarding underwriting is sent to the accountants after the auction closes.

Further, Hambrecht never suggests that this information includes the fictitious bids of Barzilai.

For at least these reasons, claim 14 and its dependent claims are allowable over Barzilai in view of Hambrecht.

Independent Claim 4 (Example 2)

Independent claim 14 recites "auditing the auction's behavior based on the bid placed by the simulated bidder." Barzilai teaches that customers who do not register with the auction service are allowed to play an auction game and submit fictitious bids (see 2: 54-64). Barzilai, however, never teaches or even suggest that these fictitious bids are somehow used to audit the auction's behavior. By contrast, Barzilai expressly states that the fictitious bids are provided so members or potential customers can learn the auction rules (see 19: 20-24).

For at least these reasons, claim 14 and its dependent claims are allowable over Barzilai in view of Hambrecht.

III. Claim Rejections: 35 USC § 103(a)

Claims 7-9 are rejected under 35 USC § 103(a) as being unpatentable over Barzilai in view of Hambrecht and US 2004/0143542 (Magill). Claim 12 is rejected under 35 USC § 103(a) as being unpatentable over Barzilai in view of Hambrecht and eBay. Claims 14-17 are rejected under 35 USC § 103(a) as being unpatentable over Barzilai in view of Hambrecht and Auditing Second Edition. Magill, eBay, and Auditing Second Edition fail to cure the deficiencies noted in section II with respect to Barzilai and Hambrecht. Thus, for at least the reasons given with respect to the respective independent claims, dependent claims 7-9, 12, and 14-17 are allowable.

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